

# Pension Plan



The Pension Plan helps build financial security and provides you with a dependable source of income throughout your retirement years, based on your earnings and length of service with the Company.

## For more information on...

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# Highlights



## The Pension Plan...

### ...Provides You With Flexibility in Planning Your Retirement

You can retire with a full pension benefit at age 65 or over. You can also receive a full pension benefit when you retire at age 62 or older if you have at least 10 years of service credit, or when your age and years of service credit equal 85 or more. You can receive a reduced benefit as early as age 50 if you have at least 10 years of service credit.

### ...Lets You Choose from a Variety of Payment Forms

There are several payment forms to choose from, including life annuity and survivor benefit options. If you are married, you will be paid in a 50% joint and survivor benefit, unless you have your spouse's written consent to elect another payment form.

### ...Offers Financial Security to Your Family in Case of Your Death

If you should die while you are still working, the pension plan will pay a survivor benefit if you have at least five years of service credit.



### What happens to your pension benefits when...

For more information about what happens to your pension benefits when you have a qualifying life event, see the "About Your Benefits" section.

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# When You Can Retire

To offer you flexibility in planning for retirement, the pension plan provides a choice of retirement dates.

You can retire with a full pension:

- at age 65 or later, regardless of service credit
- at age 62 or later, with at least 10 years of service credit
- when your age and years of service credit total 85 or more.

You can retire with a reduced pension:

- at age 50, with at least 10 years of service credit.

“Service Credit” is defined in the Glossary.

If you choose to retire after age 65, you will continue to earn credit for your service (up to the maximum of 40 years under the regular and alternate formulas) and pay for plan benefit purposes until you actually retire. In any event, your plan benefits will begin no later than the first of the month after you reach age 70-1/2, unless you decide to defer commencement of your benefit until you actually retire.

## Service Credit for Prior Contractors

Service with contractors prior to participation in this pension plan does not count for any purpose unless specifically credited under the terms of the pension plan document.

There is one important exception to these retirement dates. If your employment is terminated by action of the Company (other than for cause), you will be considered to have met the age and service requirements for:

- a full pension benefit if you are age 60 or over and have at least eight years of service or if you are age 48 or over, and your years of service and age total 83 or more
- a reduced pension benefit if you are between ages 48 and 60 with at least eight years of service.

# Determining Your Pension Benefit

Effective 7/1/2001, your pension benefit will be calculated under five different formulas: Regular, Alternate, Minimum, Prior 1.2, and Prior 1.5. The formula that gives you the largest benefit will be used.

If you retire or terminate employment on or before 6/30/2011, you will receive the highest benefit produced by all five formulas determined as of the date you retire or terminate employment.

On 6/30/2011, we will calculate your benefit under all five formulas. If the prior formulas provide the largest amount, we will retain this amount as your guaranteed minimum benefit.

If you retire or terminate employment after 6/30/2011, your pension will be the highest benefit produced by the Regular formula, Alternate formula, Minimum formula, or your guaranteed minimum benefit.

All of the formulas are based in part on:

- your average straight-time monthly earnings - the average of your highest earnings for three years during the last 10 years just before you retire (for a discussion of how these earnings are calculated, continue reading)
- your service credit - including all your years and completed months of service - with each completed month counting as 1/12 of a year.



# Determining Your Pension Benefit (cont'd.)

## Regular Formula

The Regular formula provides a monthly benefit of:

- 42% of your average straight-time monthly earnings at 30 years of service credit.

If you have less than 30 years of service credit when you retire, the 42% is prorated for actual service credit based on a full benefit at 30 years of service credit.

If you have more than 30 years of service credit when you retire, you accrue an additional .5% per year up to the maximum accrual rate of 47% at 40 years of service credit.

## Alternate Formula

The Alternate formula provides a monthly benefit of:

- 53% of your average straight-time monthly earnings at 30 years of service credit **minus** 50% of your monthly Primary Social Security Benefit.

If you have less than 30 years of service credit when you retire, your benefit is prorated for actual service credit based on a full benefit at 30 years of service credit.

If you have more than 30 years of service credit when you retire, you will accrue an additional .5% per year up to the maximum accrual rate of 58% at 40 years of service credit.

Under this formula, no more than 50% of your Primary Social Security Benefit will be used to offset your earnings. If you provide the Company with complete Social Security Administration records of your covered earnings within six months of your retirement date, the Company will use a Social Security benefit based on these earnings rather than an estimated earnings history if it provides a higher benefit. Otherwise, the Company will use your estimated earnings history.

When you retire, your Primary Social Security Benefit for purposes of this formula is the benefit you would be eligible to receive at your retirement age or age 62, if later. This benefit is based on your estimated earnings before retirement and on the Social Security laws in effect on the date you retire.

## Minimum Formula

The Minimum formula provides a monthly benefit of:

- \$5 for each of your first 10 years of service credit **plus** \$7 for each of the 11th through 20th years of service, **plus** \$9 for each year in excess of 20 years of service, **plus** 10% of your average straight-time monthly earnings (if you have less than eight years of service, this will be reduced 1% a year for each year less than eight) **plus** \$18.

## Prior 1.2 Formula

The Prior 1.2 formula provides a monthly benefit of:

- 1.2% of your average straight-time monthly earnings **times** your years and months of service credit **plus** \$18.

## Prior 1.5 Formula

The Prior 1.5 formula provides a monthly benefit of:

- 1.5% of your average straight-time monthly earnings **times** your years and months of service credit **minus** 1.5% of your monthly Primary Social Security Benefit **times** your years and months of service credit up to 33-1/3 years.

Under this formula, no more than 50% of your Primary Social Security Benefit will be used to offset your earnings. If you provide the Company with complete Social Security Administration records of your covered earnings within six months of your retirement date, the Company will use a Social Security benefit based on these earnings, rather than an estimated earnings history, if it provides a higher benefit. Otherwise, the Company will use your estimated earnings history.

When you retire, your Primary Social Security Benefit for purposes of this formula is the benefit you would be eligible to receive at your retirement age, or age 62, if later. This benefit is based on your estimated earnings before retirement and on the Social Security laws in effect on the date you retire.

# Determining Your Pension Benefit (cont'd.)

Pension Benefit Formulas	
Formula	Provides Monthly Benefit of...
Regular	42% of your average straight-time monthly earnings at 30 years of service credit.
Alternate	53% of your average straight-time monthly earnings at 30 years of service credit <b>minus</b> 50% of your monthly Primary Social Security Benefit.
Minimum	\$5 for each of your first 10 years of service credit <b>plus</b> \$7 for each of the 11th through 20th years of service <b>plus</b> \$9 for each year in excess of 20 years of service, <b>plus</b> 10% of your average straight-time monthly earnings (if you have less than eight years of service, this will be reduced 1% a year for each year less than eight) <b>plus</b> \$18.
Prior 1.2	1.2% of your average straight-time monthly earnings <b>times</b> your years and months of service credit <b>plus</b> \$18.
Prior 1.5	1.5% of your average straight-time monthly earnings <b>times</b> your years and months of service credit, <b>minus</b> 1.5% of your monthly Primary Social Security Benefit, <b>times</b> your years and months of service credit up to 33 1/3 years.

## Reduced Benefits

If you retire before you are entitled to a full pension, your monthly benefit is reduced. The amount of reduction is based on your age and service. For example, if you are age 55 and have 27 years of service, you will receive 85% of your full benefit.

For a table of the reduction factors, see Table 1 at the end of this section.

The five formulas used to calculate full pensions are also used to calculate reduced pensions. The one which produces the largest benefit will be the one used (subject to the 6/30/2011 guaranteed minimum benefit determination). In the regular, minimum, and prior 1.2 formulas, the reduction factor is applied after calculating the total benefit. In the alternate and prior 1.5 formulas, the reduction factor is applied before subtracting the Primary Social Security Benefit.

If you retire before you are eligible for a full pension, you may postpone starting your pension and thus lessen or eliminate the reduction. In the example above, if you retire at age 55 with 27 years of service but postpone starting your pension until age 58, you will receive a full pension because your 27 years of service and your age will then total 85. You can add years to your age after you terminate employment only if you were eligible for early retirement when you terminated employment.

Any reduction for early retirement is in addition to the reduction that may be made to your plan benefit

if you elect to provide continuing plan benefits to your spouse, dependent children, or dependent parents after your death, as discussed on the following pages. See Tables 3, 4, and 5 at the end of this section for survivor reduction factors.

## Examples of Estimated Monthly Pension Income at Age 65

Average Monthly Straight-Time Earnings	Years of Service at Retirement				
	20	25	30	35	40
\$2,000	\$560	\$700	\$840	\$890	\$978
\$3,000	840	1,050	1,260	1,335	1,458
\$4,000	1,120	1,400	1,680	1,780	1,938
\$5,000	1,400	1,750	2,100	2,225	2,418
\$6,000	1,680	2,100	2,520	2,670	2,898

The above amounts were calculated under the Regular and Prior 1.2 formulas. However, the relationship of average earnings and Social Security benefits at the time you retire might result in the Alternate or Prior 1.5 formulas producing a higher benefit than shown in some of the above examples. In such a case, the actual benefit will be greater than that shown in the above table, since the highest benefit produced by any of the five formulas is the one used.

# Calculating Your Earnings

Average straight-time monthly earnings are computed using your straight-time rate of pay (including executive incentive compensation, shift differential, and hourly COLA) and your regularly scheduled hours during:

- the three calendar years in which these earnings were highest, during the ten calendar years just before you retire *or, if greater*
- the final three years just before you retire.

The average straight-time monthly earnings during the final three years are calculated by using:

- scheduled straight-time monthly earnings in the completed months of the calendar year in which you retire
- scheduled straight-time earnings in the two preceding calendar years
- for any months in the third preceding calendar year, the average of the scheduled straight-time monthly earnings for that year times the number of months used in that year.

You should note that this calculation does not use the actual scheduled earnings for the specific months of the third year. The earnings rate used will be the monthly average for the entire year.

**NOTE:** The IRS places restrictions on the amount of compensation to be used in calculating the pension benefit. Certain highly compensated employees may have a limit imposed.

## Pension Benefit Example

A full pension will be the largest amount produced by any of the five formulas. For example, suppose you retire at age 65 with 30 years of service credit and average straight-time monthly earnings of \$3,000 a month. Here is how your full pension would be calculated:

### Regular Formula

$$42\% \times \$3,000 = \$1,260$$

$$\text{Per Month} = \$1,260$$

### Alternate Formula

$$53\% \times \$3,000 = \$1,590$$

$$\text{minus } 50\% \times \$1,536^* = \$768$$

$$\text{Per Month} = \$822$$

### Minimum Formula

$$\$5 \times 10 \text{ years} = \$50$$

$$\$7 \times 10 \text{ years} = \$70$$

$$\$9 \times 10 \text{ years} = \$90$$

$$10\% \times \$3,000 = \$300$$

$$\text{Flat amount} = \$18$$

$$\text{Per Month} = \$528$$

### Prior 1.2 Formula

$$1.2\% \times \$3,000 \times 30 \text{ years} + \$18 = \$1,098$$

$$\text{Per Month} = \$1,098$$

### Prior 1.5 Formula

$$1.5\% \times \$3,000 \times 30 \text{ years} = \$1,350$$

$$\text{minus } 1.5\% \times \$1,536^* \times 30 \text{ years} = \$691$$

$$\text{Per Month} = \$659$$

In this case, the regular formula would give you a higher pension than the alternate, minimum, prior 1.2, or prior 1.5 formulas. You would receive the highest benefit of \$1,260 a month for the rest of your life. Of course, if you elect to continue benefits to your spouse or other eligible dependents after your death, this amount will be reduced to account for the longer period over which plan benefits will be paid. See Tables 3, 4, and 5 at the end of this section for survivor reduction factors.

\*This is a typical Primary Social Security Benefit.

# Normal Forms of Payment

You will receive your plan benefits under the plan's normal form of payment based on your marital status when you retire, unless you elect an optional form of payment.

## For Married Employees

If you are married when you retire, the normal form of payment is a 50% joint and survivor benefit. Under this form of payment, your pension is reduced and, after your death, 50% of that benefit is continued to your surviving spouse for the rest of his or her life. This reduction is based on the ages of you and your spouse and reflects the fact that benefits are payable during both of your lifetimes. If your spouse dies before you, this form of payment will automatically "pop-up" to the amount that would be

paid to a single employee, as discussed below. For a table of reduction factors, see Table 3 at the end of this section.

If you die before you begin to receive plan benefits, your spouse will receive 50% of the benefit you would have received had it begun on the date of your death.

## For Single Employees

The plan's normal form of payment for a single employee is a life annuity. Under this form of payment, you receive the full benefit earned at retirement for your lifetime. After your death, no benefits are paid to anyone else.

# Optional Forms of Payment

You may elect an optional form of payment at retirement. If you are married, you will need your spouse's written consent, witnessed by a notary public or a representative of the Plan Administrator, in order to elect a form of payment other than the 50% joint and survivor benefit.

You may revoke or change your election at any time before benefits begin, subject to your spouse's written and witnessed consent.

## Life Annuity Option for Married Employees

This option for married employees is the same as the normal form of payment for single employees. Under this form of payment, you receive your full pension benefits for your lifetime only. No benefits are paid to anyone after your death.

## Survivor Benefit Option

You can elect a reduced pension in order to provide continuing income to an unmarried dependent child (or unmarried dependent children) under age 23, or a dependent parent (or dependent parents), but not to both dependent children and parents. A dependent

parent will receive the benefit for life. A dependent child will receive the benefit until the earliest of: loss of dependent status, attainment of age 23, or the dependent child dies.

The amount of reduction in your pension depends on your age and the age of your named survivor. Examples of survivor factors are shown in Tables 4 and 5 at the end of this section.

**The terms "Dependent Child" and "Dependent Parent" are defined in the Glossary.**

After your death, 50% of your reduced benefit will continue to your dependent child until age 23 (or as long as the child remains totally and permanently disabled), or your dependent parent for the rest of his or her life.

If you die before your pension benefits start, your named survivor will receive 50% of the reduced pension you would have received had it begun on the date of your death.

Your election of a survivor benefit cannot be changed after your pension begins. If your named survivor should die before you, this payment form will automatically "pop-up" to the amount paid to a single employee.



# Optional Forms of Payment (cont'd.)

## Level Income Option

If you retire before age 62 and choose to have your pension benefits begin before you are eligible to receive Social Security benefits, you may elect the level income option. Under this option, your plan income is increased until age 62 and is decreased after that time so that your combined income from the pension plan and Social Security is approximately level throughout your retirement.

The Social Security amount used in the level income calculation is not your actual Social Security amount but is an estimate based on your average straight-time monthly earnings for the calendar year immediately preceding your retirement date.

If you elect the level income option, the survivor's benefit will be based on the pension amount before adjustment for this option.

## Small Benefits

If the total present value of your vested benefit is \$5,000 or less, you may be paid automatically in a lump-sum payment. Determinations of the present value of vested benefits for cash-out purposes are made at least once each year.

# Social Security

Social Security retirement benefits are entirely in addition to benefits paid from the pension plan.

Social Security provides retirement benefits to you and your eligible spouse based on earnings covered under the law. If you were born before 1938, full Social Security retirement benefits can start at age 65. Your spouse is eligible for an additional 50% of your benefit - or a benefit based on his or her own covered earnings, if greater - when he or she reaches age 65. Disability benefits may also be provided for you and eligible family members, as well as survivor's benefits.

For employees born after 1937, the age for unreduced Social Security benefits will gradually increase from age 65 to age 67. Ultimately, for employees born after 1959, full Social Security benefits will not become payable until age 67. Reduced benefits are available as early as age 62.

Please remember that, although you and the Company each pay taxes toward the cost of your Social Security benefits, these benefits are not paid automatically. You must apply for them in all cases. To get more information about the law and your personal status under it, contact your local Social Security office.

# Participation While You Are Disabled

## Continuation of Plan Participation

If you become totally disabled and qualify for benefits under the Company's long-term disability plan, you will continue to accrue Company service credit just as if you had continued working. While you continue to be totally disabled, your earnings will be assumed to remain the same as at the time you became disabled. For purposes of determining your benefit, your average straight-time monthly earnings will be based on:

- the three calendar years in which your earnings were highest, during the ten calendar years just prior to your last day worked
- or
- the final three years just prior to your last day worked.

For information on how your average straight-time monthly earnings during the final three years are calculated, refer to the prior pages of this section.

## Effect of Disability on Your Pension Benefit

If you continue to be totally disabled until age 65, you will be entitled to retire under the same conditions as any other participant. If your disability ends before age 65, you will receive service credit for the period of your disability - provided you return to work or transfer from disability status to retirement status. If you do not return to work after your disability ends, you will be considered to have terminated employment on the date your disability began.

# If You Die While Employed

If you die while you are still employed and you have completed at least five years of service credit, the plan will pay a survivor benefit unless another form of payment has been selected. The timing and amount of this benefit will depend on your years of service credit when you die.

If you die after completing 10 years of service credit, the survivor benefit is payable immediately. (The age 50 requirement for early retirement does not apply in determining eligibility for the survivor benefit.) The benefit is a monthly income equal to 50% of the pension you would have received if you had retired on the day of your death. If your survivor is a younger spouse, the benefit will be reduced 1/2% for each full year more than five years that your spouse is younger than you. However, in no event will the survivor benefit be reduced to less than 25% of your full pension, calculated using your average earnings and service at your death.

If you die before completing 10 years of service credit (but after five years), the survivor benefit is payable the first day of the month following the day you would have reached age 65. The benefit is a monthly income equal to 50% of the benefit you would have received had you terminated employment on the day of your death, and elected to receive your benefit at age 65 in the 50% joint and survivor form of payment.

Your survivor can elect to receive reduced benefits as early as the date you would have reached age 50. The reduction will be 6 2/3% for each year before age 65, for up to three years (to age 62), plus 5% for each year before age 62 that benefits begin.

The benefit will be paid to your spouse for the rest of his or her life. If you are employed and not married when you die, the benefit will be paid in equal shares to your dependent children until age 23 (or as long as a child remains totally and permanently disabled).

And if you have no dependent children, then the benefit will be paid in equal shares to your dependent parents for life.

**The terms "Dependent Child" and "Dependent Parent" are defined in the Glossary.**

Any benefit being paid to a dependent child or dependent parent cannot be transferred to someone else when the child or parent no longer qualifies for it. However, if a spouse dies while receiving the survivor benefit, the spouse's benefit will continue in equal shares to any of your dependent children under age 23, or as long as a child remains totally and permanently disabled.



# If You Leave Before Retirement

If you leave the Company for any reason after completing at least five years of credited service, you are “vested.” Being vested means you have a nonforfeitable right to receive plan benefits.

Credited service generally means the time you work at the Company, from your first hour of service until you sever from service.

Further discussion follows on **Credited Service and Severance from Service**.

## Benefit Amount

The amount of your vested pension payable at age 65 depends on your average straight-time earnings (including executive incentive compensation, shift differential and hourly COLA), your total Company service at the time you leave the Company, and your age at the time you want your pension payments to begin. The five formulas described previously are used to calculate your pension, but with these differences:

- The flat amount of \$18 per month under the Minimum and Prior 1.2 formulas will be multiplied by a “service fraction.” This fraction is your actual years of service with the Company divided by your years of service that would be credited had you continued with the Company until age 65.
- If your vested benefit is calculated using the Minimum formula and you have less than ten years of service credit, that part of the formula using 10% of your average straight-time earnings will be reduced by 1% for each full year less than ten.
- the Prior 1.5 formula is revised to require the following steps:
  1.  $1.5\% \times$  average straight-time earnings times your years of service that would be credited had employment continued to age 65, **minus**
  2.  $1.5\% \times$  years of service (up to  $33 \frac{1}{3}$ ) that would be credited had employment continued to age 65, times Primary Social Security Benefit at age 65, assuming continued employment at current earnings rate, **times**
  3. The service fraction: Years of actual service divided by years of service had employment continued to age 65.

## Payment of Benefits

Vested benefits normally become payable at age 65. However, you can elect to receive a reduced benefit as early as age 50, but the benefit will be calculated as described in this section, and not as an early retirement benefit. The amount of the reduction will depend on how many years before age 65 you elect to begin benefits. The reduction is  $6 \frac{2}{3}\%$  for each year before age 65, for up to three years (age 62). In addition, the reduction is 5% for each year before age 62 that plan payments start. For example, if you leave the Company and begin receiving your pension at age 60, your benefit will be reduced 30%, that is  $20\%$  for the years between 65 and 62 ( $6 \frac{2}{3}\% \times 3$ ) plus  $10\%$  for the years between 60 and 62 ( $5\% \times 2$ ).

Your benefits will begin on the first of the month following receipt of your written request. If you are married at the time of your request, your benefit will automatically be paid as a 50% joint and survivor benefit, unless you elect otherwise with your spouse's written consent witnessed by a notary public or representative of the Plan Administrator. If your benefit is paid in the 50% joint and survivor form, it will be reduced according to Table 3 at the end of this section. It will also be reduced for each year that pre-retirement coverage is in effect as described later in this section.

# If You Leave Before Retirement (cont'd.)

## Pre-Retirement Spouse's Benefit

If you leave the Company with vested benefits and you die before plan payments begin, your spouse may be eligible to receive a pre-retirement benefit equal to 50% of the benefit you would have received under the 50% joint and survivor benefit. Your spouse will be eligible if:

- you and your spouse have been married at least one year at the time of your death
- you did not waive this pre-retirement benefit option at the time you terminated.

To waive this optional coverage, you must have your spouse's written and witnessed consent.

If you die after age 50, payments will begin on the first of the month following your death. If you die before age 50, payments will begin on the first of the month following the date you would have reached age 50.

Your pension payments, as well as payments to your spouse, will be reduced for receipt as a 50% joint and survivor benefit (see Table 3 at the end of this section), and for each year or part of a year that the pre-retirement coverage is in effect after your termination, as shown below:

For each year of coverage after termination:	Your pension reduction will be:
Under age 45	.10%
From age 45 to age 54	.20%
From age 55 to age 65	.50%

## Forfeiture of Benefits

If your employment terminates before you have completed five years of credited service, you will forfeit your right to any plan benefits.



# Credited Service and Severance from Service

Credited service (as defined in the Glossary) is used to determine whether you are eligible for a vested pension.

“Service Credit,” which is used to determine the amount of your pension benefit, is defined in the Glossary.

Credited service begins with your first hour of service and ends when you sever from service. Severance from service occurs:

- the day you quit, retire, are discharged, or die
- one year after your first day of absence due to layoff, or, if earlier, the first day after recall if you fail to return to work
- one year after your first day of absence with leave, or, if earlier, the first day after the final day of leave if you fail to return to work
- two years after your first day of absence for a parental leave due to pregnancy, birth, or adoption, and for child care immediately following the birth or adoption, or, if earlier, the first day after the final day of leave if you fail to return to work.

If you are reemployed within one year of your date of severance, you will receive credited service for your period of severance, and your prior credited service will be restored.

If you are reemployed more than one year after your date of severance and you were vested as of that date, your prior credited service will be restored automatically upon reemployment, regardless of your period of severance.

If you were not vested as of your date of severance, your prior credited service will be restored if you are reemployed more than one year after the period of severance and the length of your severance is less than five years.

In any event, you will not earn credited service during a period of severance lasting one year or more.

## Reemployment After Retirement

If you had been receiving plan income and return to work at the Company, your benefit will be suspended during your period of reemployment until you actually retire, or until your work schedule is such that you are not subject to a benefit suspension. Your benefits will be suspended for any month in which you receive payment from the Company for hours of service performed on each of eight or more days (or separate work shifts). When payments begin again, they will be adjusted to reflect your additional service and earnings after returning to work.

# Applying for Benefits

The Benefit Plans Office will provide you with the necessary information and instructions for receiving benefits and electing payment forms.

In case of your death before retirement, the Benefit Plans Office will contact your spouse or beneficiary to provide information about any plan benefits that might be payable.

If the appropriate forms are not completed and submitted - or if any information requested by the Benefit Plans Office is not provided - benefits will be delayed.

# Other Important Information

## Other Retirement Income

Any benefits due you (or your survivor, if you die before retirement) from the pension plan will be reduced by the amount (or the actuarial equivalent, if appropriate) of any retirement benefit payable from any of the following sources, provided the benefit is related to service recognized under this pension plan, and is attributable to contributions made by a Department of Energy contractor:

- any other private plan
- any retirement or separation benefit payable under the law of any foreign government
- any public pension other than military or Social Security for which you received Company service credit.

The reduction will be made under rules which will apply uniformly to all affected employees. If your pension is to be reduced because of this provision, you will be given a full explanation at the time your pension benefit is calculated.

## Withholding Taxes

Under federal tax law, federal income taxes must be withheld from plan payments - unless you elect otherwise. You may contact the Benefit Plans Office for more information about tax withholding.

## Direct Deposit of Payments

Your pension payments will be directly deposited into the bank of your choice.

## Change of Address

It is important that you notify the Company of any change in your address while you are a participant in the plan and after you retire, so you will be assured of receiving benefit communications which the Company may send to you, including your annual tax information.

## Administrative Information

Information about the administration of your retirement benefits can be found in the section entitled "Administrative Information."

# Pension Reduction Tables

**Table 1 - Early Retirement Reduction Factors**

These factors use your age and years of service to determine the percentage of your full pension that is payable.

Age	Years of Service																	
	10 to 18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35 & over
50	40	45	50	50	50	50	50	50	55	60	65	70	75	80	85	90	95	100
51	45	45	50	55	55	55	55	55	60	65	70	75	80	85	90	95	100	100
52	50	50	50	55	60	60	60	60	65	70	75	80	85	90	95	100	100	100
53	55	55	55	55	60	65	65	65	70	75	80	85	90	95	100	100	100	100
54	60	60	60	60	60	65	70	70	75	80	85	90	95	100	100	100	100	100
55	65	65	65	65	65	65	70	75	80	85	90	95	100	100	100	100	100	100
56	70	70	70	70	70	70	75	80	85	90	95	100	100	100	100	100	100	100
57	75	75	75	75	75	75	80	85	90	95	100	100	100	100	100	100	100	100
58	80	80	80	80	80	80	85	90	95	100	100	100	100	100	100	100	100	100
59	85	85	85	85	85	85	90	95	100	100	100	100	100	100	100	100	100	100
60	90	90	90	90	90	90	95	100	100	100	100	100	100	100	100	100	100	100
61	95	95	95	95	95	95	100	100	100	100	100	100	100	100	100	100	100	100
62-64	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
65	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Factors for intermediate ages and service are available from the Benefit Plans Office.

# Pension Reduction Tables (cont'd.)

**Table 2 - Early Retirement Reduction Factors if Terminated by Company Action**

If you are terminated by Company action other than for cause, use this table instead of Table 1 to determine the percentage of your full pension that is payable.

Age	Years of Service																		
	8-9	10-18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35 & over
48	40	40	45	50	50	50	50	50	50	55	60	65	70	75	80	85	90	95	100
49	40	40	45	50	50	50	50	50	50	55	60	65	70	75	80	85	90	100	100
50	40	40	45	50	50	50	50	50	50	55	60	65	70	75	80	85	100	100	100
51	45	45	45	50	55	55	55	55	55	60	65	70	75	80	85	100	100	100	100
52	50	50	50	50	55	60	60	60	60	65	70	75	80	85	100	100	100	100	100
53	55	55	55	55	55	60	65	65	65	70	75	80	85	100	100	100	100	100	100
54	60	60	60	60	60	60	65	70	70	75	80	85	100	100	100	100	100	100	100
55	65	65	65	65	65	65	65	70	75	80	85	100	100	100	100	100	100	100	100
56	70	70	70	70	70	70	70	75	80	85	100	100	100	100	100	100	100	100	100
57	75	75	75	75	75	75	75	80	85	100	100	100	100	100	100	100	100	100	100
58	80	80	80	80	80	80	80	85	100	100	100	100	100	100	100	100	100	100	100
59	85	85	85	85	85	85	85	100	100	100	100	100	100	100	100	100	100	100	100
60	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
61	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
62-64	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Factors for intermediate ages and service are available from the Benefit Plans Office.

# Pension Reduction Tables (cont'd.)

## Table 3 - Surviving Spouse Reduction Factors

Use your age and your spouse's age as of the date your pension starts to determine the percentage of your full pension or reduced pension that is payable if you elect to provide your spouse with a survivor pension.

Spouse's Age	Pensioner's Age																											
	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70		
40	.955	.951	.947	.943	.939	.935	.930	.926	.921	.915	.910	.904	.893	.891	.885	.878	.870	.862	.854	.843	.836	.827	.817	.808	.798	.786		
41	.956	.952	.949	.945	.941	.936	.932	.927	.922	.917	.911	.906	.893	.886	.879	.872	.864	.856	.847	.838	.829	.819	.810	.800	.789			
42	.957	.954	.950	.946	.942	.938	.933	.929	.924	.919	.913	.908	.895	.888	.881	.874	.866	.858	.849	.840	.831	.821	.812	.802	.792			
43	.958	.955	.951	.948	.944	.939	.935	.930	.925	.920	.915	.909	.903	.897	.890	.883	.876	.868	.860	.851	.842	.833	.823	.814	.804	.794		
44	.960	.956	.953	.949	.945	.941	.937	.932	.927	.922	.917	.911	.905	.899	.892	.885	.878	.870	.862	.853	.844	.835	.826	.816	.806	.796		
45	.961	.958	.954	.950	.947	.943	.938	.934	.929	.924	.919	.913	.907	.901	.894	.887	.880	.872	.864	.856	.847	.838	.828	.818	.808	.798		
46	.962	.959	.956	.952	.948	.944	.940	.935	.931	.926	.921	.915	.909	.903	.897	.890	.882	.875	.867	.858	.849	.840	.830	.821	.811	.801		
47	.963	.960	.957	.953	.950	.946	.942	.937	.933	.928	.923	.917	.911	.905	.899	.892	.885	.877	.869	.861	.852	.842	.833	.823	.813	.803		
48	.965	.962	.958	.955	.951	.948	.943	.939	.935	.930	.925	.919	.914	.908	.901	.894	.887	.879	.872	.863	.854	.845	.836	.826	.816	.806		
49	.966	.963	.960	.957	.953	.949	.945	.941	.937	.932	.927	.921	.916	.910	.903	.897	.890	.882	.874	.866	.857	.848	.838	.829	.819	.809		
50	.967	.964	.961	.958	.955	.951	.947	.943	.938	.934	.929	.924	.918	.912	.906	.899	.892	.885	.877	.868	.860	.851	.841	.832	.822	.812		
51	.969	.966	.963	.960	.956	.953	.949	.945	.940	.936	.931	.926	.920	.915	.908	.902	.895	.887	.880	.871	.863	.854	.844	.835	.825	.815		
52	.970	.967	.964	.961	.958	.954	.951	.947	.942	.938	.933	.928	.923	.917	.911	.904	.897	.890	.882	.874	.866	.857	.847	.838	.828	.818		
53	.971	.969	.966	.963	.960	.956	.953	.949	.945	.940	.935	.931	.925	.920	.913	.907	.900	.893	.885	.877	.869	.860	.851	.841	.831	.821		
54	.973	.970	.967	.964	.961	.958	.954	.951	.947	.942	.938	.933	.928	.922	.916	.910	.903	.896	.888	.880	.872	.863	.854	.844	.835	.825		
55	.974	.971	.969	.966	.963	.960	.956	.952	.949	.944	.940	.935	.930	.925	.919	.913	.906	.899	.891	.883	.875	.866	.857	.848	.838	.828		
56	.975	.973	.970	.967	.964	.961	.958	.954	.951	.947	.942	.938	.933	.927	.921	.915	.909	.902	.894	.887	.878	.870	.861	.851	.842	.832		
57	.976	.974	.972	.969	.966	.963	.960	.956	.953	.949	.944	.940	.935	.930	.924	.918	.912	.905	.898	.890	.882	.873	.864	.855	.845	.836		
58	.978	.975	.973	.970	.968	.965	.962	.958	.955	.951	.947	.942	.938	.932	.927	.921	.915	.908	.901	.893	.885	.877	.868	.859	.849	.840		
59	.979	.977	.974	.972	.969	.966	.963	.960	.957	.953	.949	.945	.940	.935	.930	.924	.918	.911	.904	.897	.889	.880	.871	.862	.853	.844		
60	.980	.978	.976	.973	.971	.968	.965	.962	.959	.955	.951	.947	.943	.938	.933	.927	.921	.914	.907	.900	.892	.884	.875	.866	.857	.848		
61	.981	.979	.977	.975	.972	.970	.967	.964	.961	.957	.954	.950	.945	.940	.935	.930	.924	.918	.911	.904	.896	.888	.879	.870	.861	.852		
62	.982	.980	.978	.976	.974	.971	.969	.966	.963	.959	.956	.952	.948	.943	.938	.933	.927	.921	.914	.907	.900	.892	.883	.874	.865	.856		
63	.983	.981	.979	.977	.975	.973	.970	.968	.965	.961	.958	.954	.950	.946	.941	.936	.930	.924	.918	.911	.903	.895	.887	.879	.870	.861		
64	.984	.982	.981	.979	.977	.974	.972	.969	.967	.963	.960	.957	.953	.948	.944	.939	.933	.927	.921	.914	.907	.899	.891	.883	.874	.865		
65	.985	.984	.982	.980	.978	.976	.974	.971	.968	.965	.962	.959	.955	.951	.947	.942	.936	.931	.925	.918	.911	.903	.896	.887	.879	.870		
66	.986	.985	.983	.981	.979	.977	.975	.973	.970	.967	.964	.961	.958	.954	.949	.945	.940	.934	.928	.922	.915	.908	.900	.892	.883	.875		
67	.987	.986	.984	.982	.981	.979	.977	.974	.972	.969	.967	.963	.960	.956	.952	.948	.943	.937	.932	.925	.919	.912	.904	.896	.888	.879		
68	.988	.987	.985	.984	.982	.980	.978	.976	.974	.971	.969	.966	.962	.959	.955	.951	.946	.941	.935	.929	.923	.916	.908	.901	.893	.884		
69	.989	.987	.986	.985	.983	.981	.980	.978	.975	.973	.971	.968	.965	.961	.957	.953	.949	.944	.939	.933	.927	.920	.913	.905	.897	.889		
70	.990	.988	.987	.986	.984	.983	.981	.979	.977	.975	.972	.970	.967	.964	.960	.956	.952	.947	.942	.937	.930	.924	.917	.910	.902	.894		

Factors for intermediate ages and service are available from the Benefit Plans Office.

# Pension Reduction Tables (cont'd.)

## Table 4 - Surviving Child Reduction Factors

If you elect to provide your dependent child with a survivor pension, use this table instead of Table 3.

Child's Age	Your Age															
	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65
1	.961	.957	.952	.948	.943	.938	.932	.926	.918	.910	.902	.892	.882	.871	.859	.847
2	.964	.960	.956	.952	.947	.943	.937	.931	.924	.917	.908	.899	.890	.879	.868	.855
3	.967	.963	.960	.956	.951	.946	.942	.936	.930	.923	.915	.906	.897	.887	.876	.864
4	.970	.967	.963	.959	.955	.951	.946	.942	.936	.928	.921	.913	.905	.895	.884	.873
5	.973	.970	.967	.963	.960	.955	.951	.946	.941	.935	.928	.920	.912	.903	.893	.882
6	.976	.973	.971	.967	.964	.960	.956	.951	.946	.941	.935	.927	.920	.911	.902	.891
7	.979	.976	.974	.971	.968	.965	.961	.957	.952	.947	.942	.935	.928	.919	.910	.901
8	.981	.979	.977	.976	.972	.969	.966	.962	.958	.953	.948	.943	.936	.928	.920	.911
9	.984	.982	.980	.978	.976	.973	.970	.967	.963	.959	.954	.949	.944	.937	.930	.921
10	.986	.985	.983	.981	.979	.977	.974	.971	.968	.965	.961	.956	.951	.945	.939	.931
11	.988	.987	.985	.984	.982	.980	.978	.976	.973	.970	.966	.962	.958	.952	.947	.941
12	.990	.989	.988	.986	.985	.983	.982	.980	.977	.975	.972	.968	.964	.960	.955	.949
13	.992	.991	.990	.989	.988	.986	.985	.983	.981	.979	.977	.974	.970	.967	.962	.958
14	.993	.993	.992	.991	.990	.989	.988	.986	.985	.983	.981	.979	.976	.973	.969	.965
15	.995	.994	.994	.993	.992	.991	.990	.989	.988	.987	.985	.983	.981	.979	.976	.973
16	.996	.996	.995	.995	.994	.993	.993	.992	.991	.990	.989	.987	.986	.984	.981	.979
17	.997	.997	.996	.996	.996	.995	.995	.994	.993	.993	.992	.991	.989	.988	.986	.984
18	.998	.998	.998	.997	.997	.997	.996	.996	.995	.995	.994	.994	.993	.992	.991	.989
19	.999	.999	.998	.998	.998	.998	.998	.997	.997	.997	.996	.996	.995	.995	.994	.993
20	.999	.999	.999	.999	.999	.999	.999	.999	.998	.998	.998	.998	.997	.997	.997	.996
21	—	—	—	—	—	—	.999	.999	.999	.999	.999	.999	.999	.999	.999	.998
22	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Factors for intermediate ages are available from the Benefit Plans Office.

## Table 5 - Surviving Dependent Parent Reduction Factors

If you elect to provide your dependent parent with a survivor pension, use this table instead of Table 3.

Parent's Age	Your Age		
	55	60	65
70	.950	—	—
75	.985	.949	—
80	.991	.985	.972
85	.995	.992	.985

Factors for intermediate ages are available from the Benefit Plans Office.

